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LB 1089

think Senator Dierks hit on it. Senator Dierks asked me about Hall County, asked me about Grand Island. Two of the most important opponents to this bill are Heritage Bank and Five Points Bank. They're both in Grand Island. The Heritage Bank created a phantom savings and loan in Grand Island, merged with a bank in Wood River, then moved their main office from Wood River to Grand Island. In other words, they used the phantom S & L mechanism to get into the jurisdiction they want and they're fighting like crazy to make sure that First of Omaha doesn't come to a jurisdiction they got into. That was the point I was making. With respect to Five Point Banks (sic--Five Points Bank), they acquired a federal savings bank in Sumner which allowed them to branch where it could not branch under its commercial banking charter and then they converted the savings...they converted to a savings bank and, once the desired branches were obtained, the two institutions could merge. These are institutions that are in Grand Island, like...fighting like crazy to make sure they don't have new competition. That was the point I was making.

SENATOR VRTISKA: Okay.

SENATOR LANDIS: Okay.

SENATOR VRTISKA: That I guess in a sense is what I understood you to say and it's a part that I am concerned about because I suspect that there are banks who are concerned about this for a number of reasons and I don't know that competition is one of them because I don't know that banks are so fearful of the competition. More the fear that I have...been expressed to me more and more, and you've talked about this, is the fact that many of the large banks want to move into the area and I suspect, from their perspective, make unfair competition. I don't know if that's true or not, but the base ability of the smaller banks to provide loans to agriculture and to other businesses when they're...when they don't have the strength often turns them to other banks and my problem is it goes back to what I said when I talked before. I don't understand all the mechanisms of the banking business. The only thing that I understand is I'm hearing...